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PENCE BILL WOULD MAKE HEALTH INSURANCE MORE AFFORDABLE FOR SMALL BUSINESSES

Washington, Jul 25, 2003 - WASHINGTON, DC - Congressman Mike Pence introduced legislation to make health insurance more affordable for small businesses. The Small Business Health Insurance Act would lower the cost of health insurance by eliminating the requirement that small businesses purchase “guaranteed issue” health insurance.

Guaranteed issue is a provision in the Health Insurance Portability and Accountability Act (HIPAA) that requires health insurers to accept any employer of a business of two to fifty employees that applies for coverage – regardless of the group’s claim history or health status.

“Many small businesses in Indiana struggle with the skyrocketing cost of health insurance,” said Pence. “Most small businesses simply cannot afford to purchase insurance at the current rates. Guaranteed issue in the small group market means that all small employers can get health insurance at any time. While this sounds good, it provides an incentive for healthy employer groups to take their money out of the health insurance system and sit on the sidelines.

“The Small Business Health Insurance Act will eliminate the guaranteed issue mandate from HIPAA, bringing healthy groups back into the system and bringing down the overall cost of health insurance in the small group market,” said Pence.

“Small businesses are the backbone of our economy, and my bill will give Small Business Indiana access to affordable health insurance,” said Pence.

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